



CITY OF READING, PENNSYLVANIA

CHARLES D. YOUNGER, ESQUIRE, CITY SOLICITOR
TONYA A. BUTLER, ESQUIRE
FREDERICK T. LACHAT, III, ESQUIRE
THOMAS G. COLEMAN, IV, ESQUIRE

LAW DEPARTMENT
ROOM 2-54
815 WASHINGTON STREET
READING, PA 19601-3690
(610) 655-6208

February 27, 2015

VIA EMAIL: margaret.hutchinson@usdoj.gov

Margaret L. Hutchinson, Civil Chief
Assistant United States Attorney
U.S. Attorney's Office
615 Chestnut Street, Suite 1250
Philadelphia, PA 19106-4476

**Re: U.S. and PADEP v. City of Reading, PA
Civil Docket No. 04-05696 (E.D. Pa)(JKG)**

Dear Ms. Hutchinson:

In furtherance of the efforts undertaken by the City to keep you informed about the financial aspects of the City's Wastewater Treatment Plant and Sewer Enterprise Fund, I have enclosed a copy of the financial statements for the Sewer Enterprise Fund from October 2014 through January 2015. The City continues to maintain the dedicated Sewer Enterprise Fund (designated Fund 54) and makes a one-time transfer of three million dollars to the general fund each calendar year in accordance with the Consent Decree.

As was previously explained in the Fox Rothschild letter of November 26, 2014, the City has also established Fund 55(a) as a separate account from Fund 54. Fund 55(a) is dedicated to receive escrow sewer payments from City residents to satisfy the City's financial obligation for wastewater expenses. Establishing Fund 55(a) allows the City to cease commingling the excess contributions to Fund 54 from City residents so the City can establish wastewater rate stabilization and avoid rate spikes as the City moves forward with its capital improvements to the wastewater treatment plant and collection system.

Additionally, in an effort to improve transparency, the City is passing an amended ordinance to specifically identify the fee paid by City residents for the stormwater management services, which includes stormwater sewer repair and maintenance, street sweeping (to reduce non-point source pollution entering the stormwater sewers), and dam management (to regulate Hydraulic capacity limitations of the stormwater sewers). Expenses for these services will be



FAX: (610) 655-6427 TDD: (610) 655-6442

accounted for separate and apart from any expenses for wastewater costs. As a result, the City has established Fund 55(b) for the collection and disposition of stormwater management

RD#0000951

fees. All of this is being done to stay in compliance with the Consent Decree and maintain a separate Sewer Enterprise Fund under Fund 54.

If you have any questions, please let me know. Thank you.

Very truly yours,

A handwritten signature in dark ink, appearing to read "F. T. Lachat, III", written in a cursive style.

Frederick T. Lachat, III

Enclosures

cc: Christopher Day, Esquire (via email)
Gary L. Hepford, Esquire (via email)
Keith Mooney, Esquire (via email)
John J. Miravich, Esquire (via email)
Derald J. Hay, Esquire (via email)

